

Manufacturers' Shipments, Inventories, and Orders

January 1975



FOR RELEASE: March 5, 1975 2:00 P.M.

SERIES: M3-1(75)-1

SUMMARY

New orders for manufactured products in January decreased \$1,527 million or 2.0 percent to \$74,927 million after seasonal adjustment. Shipments decreased \$485 million or 0.6 percent to \$79,002 million in January. Unfilled orders decreased \$4,072 million or 3.0 percent to \$129,760 million at the end of January. Inventories increased \$1,073 million or 0.7 percent to \$151,477 million at the end of January. The inventories to shipments ratio increased from 1.89 to 1.92.

For the 3 months ending in January the average decrease in new orders was 4.6 percent compared with a 0.4 percent decrease for the 3 months ending in October and a 2.2 percent increase for the 3 months ending in July.

NEW ORDERS

New orders for durable goods industries decreased \$1,530 million or 4.0 percent to \$36,312 million in January. The decrease in new orders was chiefly attributable to the primary metals industries (\$1,228 million), the aerospace industries (\$959 million) and the nonelectrical machinery industries (\$499 million). These decreases were partially offset by increases in electrical machinery (\$473 million), shipbuilding and railroad equipment (\$454 million) and fabricated metal products (\$359 million). Among the supplementary series, capital goods industries decreased \$476 million with the nondefense sector decreasing \$446 million and the defense sector decreasing \$30 million.

SHIPMENTS

Shipments of durable goods industries decreased \$270 million or 0.7 percent to \$40,279 million in January. This decrease was led by the nonelectrical machinery industry (\$245 million).

The nondurable goods industries decreased \$215 million or 0.6 percent to \$38,723 million in January.

UNFILLED ORDERS

Unfilled orders for durable goods industries decreased \$3,964 million or 3.1 percent to \$125,980 million at the end of January. The decrease in unfilled orders was primarily attributable to decreases in primary metals (\$2,155 million), non-electrical machinery (\$568 million), the aerospace industry (\$374 million) and fabricated metal products (\$372 million).

INVENTORIES

Inventories of durable goods industries increased \$1,162 million and nondurable goods industries decreased \$89 million between the end of January and December. At the all manufacturing level, materials and supplies increased \$257 million, work in process increased \$194 million and finished goods increased \$622 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for February is scheduled for release on March 21, 1975 and the full report is scheduled for release on April 1, 1975.

This report contains data on an unadjusted and seasonally adjusted basis. However, the data are not adjusted for price changes. For an explanation of terms used in this report see appendix following table 5.



U.S. DEPARTMENT OF COMMERCE | Social and Economic Statistics Administration | BUREAU OF THE CENSUS

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington, D.C. 20233. For sale by the Subscriber Services Section (Publications), Social and Economic Statistics Administration, Washington, D.C. 20233 or any Department of Commerce District Office. Price: 15 cents per copy—\$1.50 per year.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Jan. 1975 ^P	Dec. 1974 ^R	Nov. 1974	Jan. 1975 ^P	Dec. 1974 ^R	Jan. 1974	Jan. 1975 ^P	Dec. 1974 ^R	Nov. 1974	Jan. 1975 ^P	Dec. 1974 ^R	Jan. 1974
All manufacturing industries:												
Total.....	79,002	79,487	86,152	73,832	75,406	71,248	151,477	150,404	147,135	151,786	149,762	122,837
Total, excluding transportation.....	71,115	71,613	76,342	66,315	68,027	62,999	130,115	129,404	126,717	130,279	128,829	104,365
Durable goods industries, total.	40,279	40,549	44,752	37,393	38,158	37,088	99,129	97,967	95,787	99,006	97,198	80,460
Stone, clay, and glass products.	2,133	2,070	2,242	1,848	1,830	1,839	3,688	3,721	3,695	3,687	3,642	2,865
Primary metals, total.....	7,224	7,379	8,572	6,954	6,690	6,504	12,435	11,861	11,290	12,629	12,038	9,617
Blast furnaces, steel mills.	4,017	3,954	4,635	3,909	3,531	3,133	6,204	5,747	5,233	6,378	5,937	4,822
Nonferrous metals.....	2,046	2,338	2,657	1,945	2,156	2,453	4,412	4,369	4,308	4,452	4,364	3,532
All other primary metals....	1,161	1,087	1,280	1,100	1,003	918	1,819	1,745	1,749	1,799	1,737	1,263
Fabricated metal products total.....	5,119	4,940	5,256	4,629	4,712	4,325	11,872	11,793	11,347	11,688	11,482	8,882
Metal cans, barrels, and drums.....	630	575	586	552	495	450	1,126	1,114	1,072	1,112	1,015	858
Machinery, except electrical, total.....	7,495	7,740	7,795	7,024	7,443	6,223	21,828	21,552	21,132	21,846	21,552	17,037
Engines and turbines.....	561	679	617	503	806	466	1,862	1,834	1,849	1,856	1,864	1,481
Farm machinery and equipment.	869	828	882	801	665	629	2,010	1,925	1,807	2,043	1,925	1,496
Construction, mining, and material handling equipment.	1,478	1,714	1,663	1,454	1,488	1,198	4,502	4,337	4,158	4,538	4,393	3,348
Metalworking machinery.....	569	600	569	532	622	381	1,875	1,825	1,848	1,862	1,809	1,487
General industrial machinery	796	777	759	710	772	536	1,962	1,852	1,870	1,947	1,833	1,444
Electrical machinery, total...	5,078	5,076	5,350	4,639	5,117	5,060	14,797	14,684	14,639	14,551	14,413	12,541
Electrical transmission and distribution equipment and industrial apparatus.....	1,138	1,062	1,145	990	1,053	949	3,264	3,208	3,194	3,253	3,194	2,789
Household appliances.....	653	710	716	546	657	597	1,300	1,280	1,372	1,304	1,264	1,239
Radio and TV.....	377	368	447	345	405	477	1,301	1,305	1,242	1,191	1,210	979
Communication equipment.....	1,219	1,231	1,198	1,156	1,303	1,126	4,236	4,219	4,215	4,194	4,169	3,600
Transportation equipment, total	7,887	7,874	9,810	7,517	7,379	8,249	21,362	21,000	20,418	21,507	20,933	18,472
Motor vehicles and parts....	4,937	5,066	6,725	4,986	4,490	5,611	6,553	6,697	6,278	6,697	6,718	5,839
Aircraft, missiles, and parts.....	1,878	1,944	2,118	1,650	2,077	1,769	11,322	10,912	10,809	11,322	10,813	9,767
Shipbuilding and railroad equipment.....	587	433	449	519	477	384	2,629	2,537	2,464	2,600	2,547	2,011
Instruments and related products, total.....	1,385	1,357	1,464	1,247	1,344	1,134	4,297	4,329	4,209	4,216	4,180	3,352
Scientific and engineering..	734	743	742	694	713	597	2,136	2,162	2,098	2,117	2,125	1,821
All other instruments and related products.....	651	614	722	553	631	537	2,161	2,167	2,111	2,099	2,055	1,531
All other durable goods industries.....	3,958	4,113	4,263	3,535	3,643	3,754	8,850	9,027	9,057	8,882	8,958	7,694
Nondurable goods industries, total.....	38,723	38,938	41,400	36,439	37,248	34,160	52,348	52,437	51,348	52,780	52,564	42,377
Food and kindred products, total.....	13,699	13,494	14,048	12,866	13,372	12,010	12,007	12,425	12,151	12,314	12,816	10,904
Meat products.....	2,674	2,736	2,812	2,631	2,703	2,913	1,195	1,222	1,260	1,203	1,233	1,273
Fats and oils.....	1,349	1,244	1,290	1,293	1,190	1,038	1,067	1,136	1,110	1,149	1,228	839
Tobacco products.....	609	615	573	574	600	549	3,040	2,950	2,822	3,237	3,107	2,736
Textile mill products.....	2,221	2,342	2,628	2,041	2,262	2,556	4,741	4,812	5,006	4,663	4,661	4,629
Paper and allied products, total.....	3,186	3,287	3,532	3,074	3,097	2,901	4,879	4,737	4,668	4,850	4,736	3,306
Pulp, paper, etc.....	1,439	1,453	1,557	1,402	1,396	1,263	1,747	1,668	1,609	1,733	1,665	1,147
Paperboard containers.....	803	809	875	762	745	762	1,328	1,316	1,290	1,308	1,297	955
All other paper containers..	944	1,025	1,100	910	956	876	1,804	1,753	1,769	1,809	1,774	1,204
Chemicals and allied products, total.....	6,800	6,866	7,153	6,313	6,118	5,685	10,917	10,605	10,205	10,981	10,666	7,309
Industrial chemicals, except pigments.....	2,207	2,228	2,395	2,106	2,047	1,734	2,903	2,833	2,720	2,950	2,892	2,044
Drugs, soap, and toiletries.	1,747	1,767	1,700	1,698	1,636	1,508	3,799	3,554	3,454	3,761	3,522	2,394
Petroleum and coal products...	4,787	4,915	5,161	4,809	4,970	3,742	4,064	3,925	3,892	4,083	3,994	2,744
Rubber and plastics products, n.e.c.....	1,940	1,898	2,062	1,799	1,715	1,696	3,325	3,267	3,265	3,337	3,287	2,714
All other nondurable goods industries.....	5,481	5,521	6,243	4,963	5,114	5,021	9,375	9,716	9,339	9,315	9,297	8,035

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Jan. 1975 ^p	Dec. 1974 ^r	Nov. 1974	Jan. 1975 ^p	Dec. 1974 ^r	Jan. 1974	Jan. 1975 ^p	Dec. 1974 ^r	Nov. 1974	Jan. 1975 ^p	Dec. 1974 ^r	Jan. 1974
All manufacturing industries:												
Total.....	74,927	76,454	84,282	72,032	72,894	74,948	129,760	133,832	136,869	130,545	132,345	117,149
Total, excluding transportation.....	67,626	68,404	74,507	64,581	65,647	65,658	95,969	99,457	102,668	96,547	98,282	85,952
Durable goods industries, total.	36,312	37,842	43,182	35,681	36,024	40,566	125,980	129,944	132,656	126,850	128,563	112,191
Primary metals, total.....	5,069	6,297	7,863	6,113	6,338	6,957	15,047	17,202	18,286	15,752	16,593	14,743
Blast furnaces, steel mills.	2,221	2,982	3,974	3,190	3,186	3,029	8,459	10,255	11,227	9,085	9,804	9,345
Nonferrous metals.....	1,885	2,230	2,615	1,939	2,153	2,905	3,250	3,411	3,520	3,299	3,305	3,152
Fabricated metal products.....	4,746	4,387	5,226	4,347	4,227	4,752	19,338	19,710	20,262	19,300	19,582	15,457
Machinery, except electrical, total.....	6,927	7,426	7,559	6,765	7,109	6,925	29,024	29,592	29,907	29,113	29,371	22,571
Engines and turbines.....	388	830	617	387	952	591	7,019	7,192	7,041	7,052	7,167	5,889
Construction, mining, and material handling equipment.	1,403	1,774	1,680	1,425	1,488	1,407	7,332	7,406	7,346	7,244	7,273	4,586
Metalworking machinery.....	559	504	527	507	510	375	2,475	2,485	2,581	2,468	2,493	2,100
General industrial machinery.	769	635	722	720	704	626	3,335	3,362	3,504	3,368	3,358	2,344
Electrical machinery, total...	4,912	4,439	4,926	4,334	4,654	5,654	20,408	20,575	21,212	20,434	20,742	20,434
Electrical transmission and distribution equipment and industrial apparatus.....	1,188	880	953	986	908	1,122	6,488	6,440	6,622	6,434	6,439	5,787
Household appliances.....	652	695	696	546	644	610	95	96	111	91	91	108
Radio and TV.....	309	311	432	266	371	486	424	493	550	391	471	615
Communication equipment.....	1,302	1,053	1,378	1,173	1,198	1,302	7,070	6,987	7,164	7,199	7,182	6,547
Transportation equipment, total.....	7,301	8,050	9,775	7,451	7,247	9,290	33,791	34,375	34,201	33,998	34,063	31,197
Aircraft, missiles, and parts.....	1,503	2,462	2,463	1,581	2,405	2,277	21,113	21,487	20,970	21,162	21,230	18,714
Shipbuilding and railroad equipment.....	759	305	594	903	265	811	8,809	8,636	8,765	8,866	8,483	7,730
All other durable goods industries.....	7,357	7,243	7,833	6,671	6,449	6,988	8,372	8,490	8,788	8,253	8,212	7,789
Nondurable goods industries, total.....	38,615	38,612	41,100	36,351	36,870	34,382	3,780	3,888	4,213	3,695	3,782	4,958
Industries with unfilled orders.....	8,370	8,351	9,223	7,886	8,025	8,479	3,780	3,888	4,213	3,695	3,782	4,958
Industries without unfilled orders.....	30,245	30,261	31,877	28,465	28,845	25,903	-	-	-	-	-	-

- Represents zero. ^pPreliminary. ^rRevised.¹Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)¹

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Jan. 1975 ^P	Dec. 1974 ^r	Nov. 1974	Jan. 1975 ^P	Dec. 1974 ^r	Jan. 1974	Jan. 1975 ^P	Dec. 1974 ^r	Nov. 1974	Jan. 1975 ^P	Dec. 1974 ^r	Jan. 1974
	Shipments						Total inventories					
All manufacturing industries, total..	79,002	79,487	86,152	73,832	75,406	71,925	151,477	150,404	147,135	151,786	149,762	122,837
Durable goods industries, total.....	40,279	40,549	44,752	37,393	38,158	37,765	99,129	97,967	95,787	99,006	97,198	80,460
Nondurable goods industries, total.....	38,723	38,938	41,400	36,439	37,248	34,160	52,348	52,437	51,348	52,780	52,564	42,377
Industry groups arranged by market categories:												
Home goods and apparel.....	6,432	6,525	7,327	5,694	5,841	6,262	14,553	14,900	14,904	14,340	14,397	13,212
Consumer staples.....	16,271	16,185	16,650	15,313	15,976	14,395	19,542	19,530	18,979	19,937	19,904	16,488
Equipment and defense products, except automotive.....	11,061	11,315	11,364	10,198	11,170	9,210	38,709	37,967	37,472	38,676	37,809	31,547
Automotive equipment.....	6,020	6,067	7,873	5,888	5,324	6,626	8,348	8,475	8,167	8,532	8,491	7,564
Construction materials, supplies, and intermediate products.....	5,873	5,955	6,301	4,991	5,434	5,259	12,913	13,195	12,906	12,850	12,989	10,242
Other materials and supplies and intermediate products.....	33,345	33,440	36,637	31,748	31,661	29,496	57,412	56,337	54,707	57,451	56,172	43,784
Supplementary series: ²												
Household durable goods industries.....	2,949	2,963	3,185	2,618	2,801	2,777	7,516	7,522	7,528	7,393	7,307	6,250
Capital goods industries.....	12,322	12,547	12,749	11,323	12,607	10,745	43,301	42,482	42,031	43,152	42,271	35,433
Nondefense.....	10,708	10,962	11,213	9,897	10,906	9,377	36,685	35,939	35,554	36,554	35,765	29,774
Defense.....	1,614	1,585	1,536	1,426	1,701	1,368	6,616	6,543	6,477	6,598	6,506	5,659
	New orders						Unfilled orders					
All manufacturing industries, total..	74,927	76,454	84,262	72,032	72,894	75,674	129,760	133,832	136,869	130,545	132,345	117,149
Durable goods industries, total.....	36,312	37,842	43,162	35,681	36,024	41,292	125,980	129,944	132,656	126,850	128,563	112,191
Nondurable goods industries, total.....	38,615	38,612	41,100	36,351	36,870	34,382	3,780	3,888	4,213	3,695	3,782	4,958
Industry groups arranged by market categories:												
Home goods and apparel.....	6,270	6,338	7,163	5,532	5,614	6,303	2,179	2,317	2,502	2,009	2,239	2,835
Consumer staples.....	16,295	16,185	16,651	15,336	15,977	14,410						
Equipment and defense products, except automotive.....	10,660	10,921	11,308	10,439	10,776	10,930	65,198	65,981	66,590	65,566	65,706	56,966
Automotive equipment.....	5,637	5,853	7,348	5,507	5,076	6,732						
Construction materials, supplies, and intermediate products.....	5,758	5,623	6,350	4,977	4,995	5,693	17,659	17,773	18,105	17,480	17,493	14,364
Other materials and supplies and intermediate products.....	30,307	31,534	35,462	30,241	30,456	30,880	44,724	47,761	49,672	45,400	46,907	42,984
Supplementary series: ²												
Household durable goods industries.....	2,787	2,810	3,057	2,453	2,628	2,804	1,607	1,769	1,922	1,535	1,702	2,191
Capital goods industries.....	11,651	12,127	12,974	11,375	11,995	12,732	74,260	74,930	75,352	74,522	74,472	63,251
Nondefense.....	10,013	10,459	10,623	9,755	10,229	10,525	49,624	50,318	50,822	49,645	49,789	41,722
Defense.....	1,638	1,668	2,351	1,620	1,766	2,207	24,636	24,612	24,530	24,877	24,683	21,529

-During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. ^PPreliminary. ^rRevised. ¹Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.
Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.
Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops, electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.
Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1969-74	
	Dec. 1974- Jan. 1975	Nov.- Dec. 1974	Oct.- Nov. 1974	3 months			12 months Jan. 1974- Jan. 1975	Average rise	Average decline
				Oct. 1974- Jan. 1975	July- Oct. 1974	Apr.- July 1974			
Shipments:									
All manufacturing industries.....	-0.6	-7.7	-2.2	-3.5	+1.6	+2.1	+0.3	+1.5	-1.4
Durable goods industries, total.....	-0.7	-9.4	-3.9	-4.7	+1.8	+2.3	+0.1	+1.9	-2.0
Nondurable goods industries, total.....	-0.6	-5.9	-0.3	-2.3	+1.4	+1.8	+0.6	+1.3	-1.0
Total inventories:									
All manufacturing industries.....	+0.7	+2.2	+1.4	+1.4	+2.0	+2.1	+1.8	+0.8	-0.1
New orders:									
All manufacturing industries.....	-2.0	-9.3	-2.4	-4.6	-0.4	+2.2	-0.3	+1.9	-1.8
Durable goods industries, total.....	-4.0	-12.4	-4.2	-6.9	-1.8	+2.7	-1.0	+2.5	-2.7
Nondurable goods industries, total.....	0.0	-6.1	-0.4	-2.2	+1.2	+1.7	+0.5	+1.3	-1.1
Unfilled orders:									
Durable goods industries, total.....	-3.1	-2.0	-1.2	-2.1	+1.2	+3.2	+1.1	+1.7	-1.1

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Jan. 1975 ^P	Dec. 1974 ^r	Nov. 1974	Jan. 1975 ^P	Dec. 1974 ^r	Jan. 1974	Jan. 1975 ^P	Dec. 1974 ^r	Nov. 1974	Jan. 1975 ^P	Dec. 1974 ^r	Jan. 1974
	Total						Materials and supplies					
All manufacturing industries, total..	151,477	150,404	147,135	151,786	149,762	122,837	54,377	54,120	52,517	54,637	54,649	41,483
Durable goods industries, total.....	99,129	97,967	95,787	99,006	97,198	80,460	33,710	33,393	32,164	33,661	33,576	24,877
Stone, clay, and glass products.....	3,688	3,721	3,695	3,687	3,642	2,865	1,519	1,432	1,394	1,514	1,437	1,029
Primary metals.....	12,435	11,861	11,290	12,629	12,038	9,617	5,770	5,408	5,127	5,874	5,647	3,733
Machinery (electrical and nonelectrical).	36,625	36,236	35,771	36,397	35,965	29,578	11,418	11,277	11,038	11,368	11,284	8,479
Transportation equipment.....	21,362	21,000	20,418	21,507	20,933	18,472	4,656	4,866	4,423	4,687	4,933	3,914
All other durable goods industries.....	25,019	25,149	24,613	24,786	24,620	19,928	10,347	10,410	10,182	10,218	10,275	7,722
Nondurable goods industries, total.....	52,348	52,437	51,348	52,780	52,564	42,377	20,667	20,727	20,353	20,976	21,073	16,606
Chemicals and allied products.....	10,917	10,605	10,205	10,981	10,666	7,309	4,500	4,411	4,345	4,525	4,450	2,864
Petroleum and coal products.....	4,064	3,925	3,892	4,083	3,994	2,744	991	922	958	1,006	939	601
Rubber and plastics products, n.e.c.....	3,325	3,267	3,265	3,337	3,287	2,714	1,225	1,247	1,222	1,210	1,251	997
All other nondurable goods industries....	34,042	34,640	33,986	34,379	34,617	29,610	13,951	14,147	13,828	14,235	14,433	12,144
	Work in process						Finished goods					
All manufacturing industries, total..	49,744	49,550	49,038	49,756	48,912	42,876	47,356	46,734	45,580	47,393	46,201	38,478
Durable goods industries, total.....	41,964	41,506	41,121	41,970	41,023	36,307	23,455	23,068	22,502	23,375	22,599	19,276
Stone, clay, and glass products.....	479	483	464	480	455	390	1,690	1,806	1,837	1,693	1,750	1,446
Primary metals.....	3,774	3,728	3,654	3,846	3,700	3,545	2,891	2,725	2,509	2,909	2,691	2,339
Machinery (electrical and nonelectrical).	15,878	15,887	15,794	15,824	15,738	13,576	9,329	9,072	8,939	9,205	8,943	7,523
Transportation equipment.....	14,848	14,247	14,243	14,921	14,157	12,886	1,858	1,887	1,752	1,899	1,843	1,672
All other durable goods industries.....	6,985	7,161	6,966	6,899	6,973	5,910	7,687	7,578	7,465	7,669	7,372	6,296
Nondurable goods industries, total.....	7,780	8,044	7,917	7,786	7,889	6,569	23,901	23,666	23,078	24,018	23,602	19,202
Chemicals and allied products.....	1,674	1,613	1,570	1,664	1,630	1,112	4,743	4,581	4,290	4,792	4,586	3,333
Petroleum and coal products.....	1,043	1,090	1,062	1,028	1,077	686	2,030	1,913	1,872	2,049	1,978	1,457
Rubber and plastics products, n.e.c.....	567	557	558	569	566	435	1,533	1,463	1,485	1,558	1,470	1,282
All other nondurable goods industries....	4,496	4,784	4,727	4,525	4,616	4,336	15,595	15,709	15,431	15,619	15,568	13,130

^PPreliminary.^rRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP
(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	Jan. 1975 ^P	Dec. 1974 ^R	Nov. 1974	Jan. 1974	Jan. 1975 ^P	Dec. 1974 ^R	Nov. 1974	Jan. 1974
All manufacturing industries, total.....	1.92	1.89	1.71	1.61	2.92	2.97	2.81	2.63
Durable goods industries, total.....	2.46	2.42	2.14	2.01	3.50	3.57	3.38	3.13
Stone, clay, and glass products.....	1.73	1.80	1.65	1.35	(NA)	(NA)	(NA)	(NA)
Primary metals.....	1.72	1.61	1.32	1.40	2.08	2.33	2.13	2.07
Fabricated metals.....	2.32	2.39	2.16	1.89	4.31	4.52	4.34	3.63
Machinery, except electrical.....	2.91	2.78	2.71	2.56	3.87	3.82	3.84	3.37
Electrical machinery.....	2.91	2.89	2.74	2.31	4.02	4.05	3.96	3.70
Transportation equipment.....	2.71	2.67	2.08	2.12	7.52	7.58	6.65	6.25
Instruments and related products.....	3.10	3.19	2.88	2.70	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.35	1.35	1.24	1.15	0.45	0.45	0.44	0.57
Food and kindred products.....	0.88	0.92	0.86	0.83	(X)	(X)	(X)	(X)
Tobacco products.....	4.99	4.80	4.92	4.41	(X)	(X)	(X)	(X)
Textile mill products.....	2.13	2.05	1.90	1.69	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.53	1.44	1.32	1.11	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.61	1.54	1.43	1.19	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.85	0.80	0.75	0.73	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.71	1.72	1.58	1.48	(X)	(X)	(X)	(X)

(NA) Not available. ^PPreliminary. ^RRevised. (X) Not applicable.

¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this

definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and non-durable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders--

Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.

